RECORD AND BRIEFS

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IN THE

Supreme Court of the United States

MICHELLE K. LEE,

Petitioner,

v.

SIMON SHIAO TAM,

Respondent.

On Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

BRIEF OF *AMICUS CURIAE* THE CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA IN SUPPORT OF RESPONDENT

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BRIEF OF *AMICUS CURIAE* THE CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA IN SUPPORT OF RESPONDENT

INTEREST OF *AMICUS CURIAE*[1]

The Chamber of Commerce of the United States of America (the "Chamber") is the world's largest business federation. It represents 300,000 direct members and indirectly represents the interests of more than 3 million companies and professional organizations of every size, in every industry sector, and from every region of the country. An important function of the Chamber is to represent the interests of its members in matters before Congress, the Executive Branch, and the courts. To that end, the Chamber regularly files *amicus curiae* briefs in cases that raise issues of concern to the nation's business community.

The Chamber is participating in this case because it is deeply concerned about the potential diminution of First Amendment rights that could result if the Court were to condone viewpoint-based regulation of speech when the speaker is engaged in commercial activity. Although this Court has held that some regulations of "commercial speech" are subject to intermediate rather than strict First Amendment scrutiny, it has also made clear that the category of "commercial speech" is narrow. And the Court has never applied

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[1] Pursuant to this Court's Rule 37.6, *amicus curiae* states that no counsel for any party authored this brief in whole or in part, and no entity or person, aside from *amicus curiae*, its members, and its counsel, made any monetary contribution toward the brief's preparation or submission. All parties have consented in writing to the filing of this brief.

intermediate scrutiny to allow the Government to restrict speech because it finds the viewpoint expressed to be offensive.

The Chamber seeks to underscore that the Government violates the First Amendment whenever it withholds important legal protections based on the viewpoint expressed by a speaker. Denial of federal trademark registration, and the attendant loss of procedural protections against infringement, confusion, and usurpation, seriously impairs the right of a trademark holder to use that mark as a means of conveying its message. This viewpoint-based burden on speech directly implicates the core protections of the First Amendment and cannot survive any level of constitutional scrutiny.

SUMMARY OF ARGUMENT

This Court has long condemned viewpoint-based regulation of speech, whether the setting is political, cultural, or commercial. *See Sorrell v. IMS Health Inc.*, 564 U.S. 552, 566 (2011). The anti-disparagement provision of Section 2(a) of the Lanham Act, 15 U.S.C. § 1052(a), violates this longstanding prohibition on viewpoint-based regulation and burdens the fundamental freedom of expression that rests at the heart of the First Amendment.

Section (2)(a)'s anti-disparagement provision should be subject to strict scrutiny because it regulates trademarks that involve more than commercial communications and that therefore cannot be treated simply as "commercial speech." As the record in this case makes clear, trademark holders use their names and marks not solely for commercial purposes, but to express something about themselves, to contribute to the marketplace of ideas, and to speak on matters of public concern. These protected expressions are not

subject to reduced constitutional protection just because the speakers make them in connection with goods they offer for sale.

Affording full constitutional protection to trademarks that the Government deems "disparaging" is the only conclusion consistent with this Court's precedent, which describes the category of "commercial" speech in narrow terms as speech that does "*no more* than propose a commercial transaction." *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976) (emphasis added). Mr. Tam, like many other trademark holders, seeks to express a unique message, not merely to advertise goods and services. And when the Government denies trademark registration on the basis of Section 2(a)'s anti-disparagement provision, it does so because of the *expressive* content of the holder's speech, not because of the commercial purposes for using the mark.

Applying the commercial-speech doctrine in this case would therefore expand that classification dramatically and result in a corresponding reduction in the amount of speech that is entitled to full First Amendment protection. Moreover, even if trademarks could properly be treated as commercial speech, Section 2(a)'s anti-disparagement provision would still be subject to "heightened judicial scrutiny" because it is a viewpoint-based restriction. *See Sorrell*, 564 U.S. at 565.

The Government cannot evade First Amendment scrutiny of the anti-disparagement provision by characterizing the federal trademark registration system as a subsidy program. While the Government has broad discretion in disbursing funds to beneficiaries or granting tax exemptions, trademark registration does not subsidize trademark holders but rather helps

maintain the channels of commerce by providing a uniform, nationwide registration system.

Ultimately, whether Section 2(a) is examined under strict scrutiny or heightened scrutiny (or even under the commercial-speech standard of *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*, 447 U.S. 557, 566 (1980)), the Government cannot meet its burden to justify the speech restrictions imposed by the anti-disparagement provision. The statute imposes a severe burden on the First Amendment rights of trademark holders by denying their "disparaging" messages the procedural and practical protections that accompany federal registration. Those protections are enormously important, especially to a small business. And no one could seriously regard a trademark as government speech, or even government-condoned speech, so the Government has no legitimate interest in disassociating itself from "disparaging" trademarks.

The Federal Circuit's judgment invalidating Section 2(a)'s anti-disparagement provision as an unconstitutional restriction on speech should be affirmed.

ARGUMENT

I. SECTION 2(a)'S ANTI-DISPARAGEMENT PROVISION IS A VIEWPOINT-BASED RESTRICTION ON EXPRESSION.

The First Amendment bars the Government from attempting to regulate the marketplace of ideas. "[T]he most basic of [First Amendment] principles is this: 'As a general matter, government has no power to restrict expression because of its message, its ideas, its subject matter, or its content.'" *Brown v. Entm't Merch. Ass'n*, 564 U.S. 786, 790–91 (2011)

(quoting *Ashcroft v. Am. Civil Liberties Union*, 535 U.S. 564, 573 (2002)).

This principle applies whether the speaker is an individual or a corporation, and whether he seeks political change, social dialogue, or commercial gain. *See Sorrell v. IMS Health Inc.*, 564 U.S. 552, 566 (2011). "The First Amendment requires heightened judicial scrutiny 'whenever the government creates a regulation of speech because of disagreement with the message it conveys,'" and "[c]ommercial speech is no exception." *Id.* (quoting *Ward v. Rock Against Racism*, 491 U.S. 781, 791 (1989)). The prohibition on viewpoint discrimination applies both when the Government attempts to prohibit the speech of "business corporations" and when the Government attempts to compel it. *Hurley v. Irish-Am. Gay, Lesbian & Bisexual Grp. of Boston*, 515 U.S. 557, 573–74 (1995); *see also Pac. Gas & Elec. Co. v. Pub. Utils. Comm'n of Cal.*, 475 U.S. 1, 16 (1986) (plurality op.) ("For corporations as for individuals, the choice to speak includes within it the choice of what not to say."). And the prohibition applies whether the Government directly bans particular speech or indirectly burdens it. *See United States v. Playboy Entm't Grp., Inc.*, 529 U.S. 803, 812 (2000) ("Government's content-based burdens must satisfy the same rigorous scrutiny as its content-based bans.").

In cases where this Court has approved restrictions on commercial speech, it has done so only because the rules directly advanced a substantial government interest, and only where the Government did not target speech based on its viewpoint. *See Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n of N.Y.*, 447 U.S. 557, 556 (1980). These commercial-speech restrictions are permissible only because—and only so long as—they do not attempt to "burden the

speech of others in order to tilt public debate in a preferred direction." *Sorrell*, 564 U.S. at 578–79. Similarly, where the Government creates a subsidy program, it may enact certain content-based conditions on participation in order to further the purposes of the program, so long as the Government does not "leverage its power to award subsidies on the basis of subjective criteria into a penalty on disfavored viewpoints." *Nat'l Endowment for the Arts v. Finley*, 524 U.S. 569, 585, 587 (1998).

Section 2(a)'s anti-disparagement provision fails the core test of the First Amendment: The statute imposes burdens on speech based on the Government's determination that the viewpoint expressed is offensive. As the Government acknowledges, the anti-disparagement provision was enacted with the express purpose of disincentivizing the selection of trademarks that—in the Government's view—are "disparaging" by denying federal recognition of such marks and thereby "diminish[ing] the[ir] effectiveness." *Sorrell*, 564 U.S. at 565; *see also* Br. of United States 28.

Although this viewpoint-based restriction on speech should be subject to strict scrutiny—or, at a minimum, heightened judicial scrutiny—Section 2(a) cannot survive any standard of First Amendment review.

II. SECTION 2(a)'S ANTI-DISPARAGEMENT PROVISION IS NOT A PERMISSIBLE REGULATION OF "COMMERCIAL SPEECH."

The Government devotes only a sentence in its brief to justifying Section 2(a) on the basis of the more "limited form of First Amendment protection" that this Court has applied to "commercial speech." Br. of

United States 48 (quoting *San Francisco Arts & Athletics, Inc. v. United States Olympic Comm.*, 483 U.S. 522, 535 (1987)). The brevity of the Government's argument is among the best evidence that this Court's commercial-speech precedents do not apply to this case. But several judges on the Federal Circuit did argue that the constitutionality of the anti-disparagement provision should be evaluated under the commercial-speech doctrine, and they are supported by several of the Government's *amici* in this Court.

Those arguments are misplaced. Classifying all trademarks as commercial speech—including those that the Government finds to be "disparaging"—would represent a significant and unwarranted expansion of the commercial-speech doctrine that ignores the reason for the doctrine in the first place.

A. "Commercial Speech" Is A Narrow Category Limited To Speech Proposing A Commercial Transaction.

The First Amendment standards that apply to commercial speech, *see Cent. Hudson*, 447 U.S. at 562–63, are the constitutional *exception*, not the rule. As this Court has emphasized, the category of "commercial speech" is narrow. It encompasses only speech that does "*no more* than propose a commercial transaction," *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976) (emphasis added), and that "relate[s] *solely* to the economic interests of the speaker and its audience." *Cent. Hudson*, 447 U.S. at 561 (emphasis added); *see also Ohralik v. Ohio State Bar Ass'n*, 436 U.S. 447, 455 (1978) (commercial speech is "[e]xpression concerning purely commercial transactions"). The commercial-speech doctrine is manifestly inapplicable to most trademarks.

As an initial matter, no one seriously disputes that Mr. Tam's *message* is fully protected speech on a matter of public concern: By labeling himself and his bandmates "Slants," he seeks to make a statement about racial and ethnic identity, and to marginalize racism by—as he puts it—"reclaiming" a slur. He advocates social change and challenges perceptions of people of Asian descent. *See* Pet. App. 10a, 24a.

Mr. Tam could not achieve his goals as effectively using a similar mark that would fall outside Section 2(a)'s prohibition on registering "disparaging" marks. Mr. Tam's mark is designed to provoke and challenge his audience in a very particular way that could not be replicated by another mark the Government considers less objectionable. Just as authors and artists make particular choices about words, imagery, or design in order to convey a specific meaning—and sometimes in order to disquiet or shock their audience—trademark holders choose the words and symbols by which they identify themselves in order to convey particular messages or promote certain values.

If Mr. Tam wanted to stand with his bandmates on a sidewalk under a banner reading "The Slants" in order to provoke a conversation about racial identity, any government restriction on the content of that expression would be subject to strict scrutiny. *Cf. Snyder v. Phelps*, 562 U.S. 443, 457–59 (2011) (applying strict scrutiny and overturning a tort judgment based on the viewpoint expressed in speech on matters of public concern adjacent to public streets). Likewise, if Mr. Tam chose to publish his views on racial stereotypes as a pamphlet authored by "The Slants," the pamphlet would indisputably receive full First Amendment protection. *Cf. Near v. Minnesota*, 283

U.S. 697, 702, 721–22 (1931) (striking down an ordinance prohibiting publications that are "malicious, scandalous and defamatory"). Indeed, the Government concedes that Mr. Tam's right to promote his message through his chosen medium, a dance-rock album, is fully protected by the First Amendment. *See* Br. of United States 26.

The Government and its *amici* nevertheless assert that, because Mr. Tam and other trademark holders have decided to enter the commercial realm, their otherwise-fully-protected expression should be reduced to the status of commercial speech. As explained below, that proposition finds no support in this Court's precedent.

B. The Government May Not Engage In Viewpoint Discrimination Simply Because The Speaker Has An Economic Interest In A Message.

The First Amendment protection that attaches to a trademark holder's speech is not diminished because the speaker is both engaging in expression and seeking to make a profit. Judge Reyna, dissenting from the Federal Circuit's opinion below, asserted that "commercial speech does not transform into core political speech with full First Amendment protections simply because it 'links a product to a current public debate.'" Pet. App. 111a. But that gets it precisely backward: Speech with cultural, social, or political content is not transformed into "commercial speech" with diminished First Amendment protections just because the speaker disseminates her message in the commercial marketplace. *See Sorrell*, 564 U.S. at 579 ("The commercial marketplace, like other spheres of our social and cultural life, provides a forum where ideas and information flourish.").

Mr. Tam's use of "The Slants" goes far beyond proposing a commercial transaction to the public. He proposes instead to engage his audience in a discussion about racial identity and racial stereotypes, *see* Pet. App. 10a, 24a, both of which are matters of genuine public concern. And he is not remotely the first trademark holder to disseminate a message that transcends commerce. Section 2(a)'s anti-disparagement provision targets trademarks that invariably have an expressive purpose that goes beyond conveying purely commercial information. The holders of these marks choose them in order to distinguish themselves, and to convey something about who they are, what they do, how they do it, and what they believe.

The trademarked names and imagery of the National Association for the Advancement of Colored People, the Human Rights Campaign, and other advocacy groups plainly communicate far more than a commercial message. And this is equally true of trademarks used by for-profit businesses. Pepsi-Cola, for example, first adopted its iconic red, white, and blue color scheme for its bottles during World War II in order to express support for the troops. *See* PepsiCo, *The Pepsi-Cola Story* 7.[2] That color scheme is still today incorporated into several of PepsiCo's registered trademarks. Trademarks used by for-profit companies can invoke the sense of a place (real or imagined), like the "Patagonia" clothing company or the "Atlantis" Bahamas resort. They can inspire (the San Diego "Chargers"), rally a community together ("DC United" soccer club), or boast ("Seattle's Best Coffee," "The ultimate driving machine"). The trademarked slogans of Nike ("Just do it"), Apple ("Think different"), and

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[2] *Available at* http://www.pepsi.com/PepsiLegacy_Book.pdf.

Royal Caribbean cruise line ("Get out there") urge listeners to adopt a certain lifestyle. And the name "Google" was chosen by its founders as "a play on the word 'googol,' a mathematical term for the number represented by the numeral 1 followed by 100 zeros," in order to "reflect[ ] [the founders'] mission to organize a seemingly infinite amount of information on the web." Google Co., *Our history in depth*.[3]

These trademarks were not created solely to propose a commercial transaction or to generate increased revenue. They were chosen because they expressed a company's values and embodied its vision. Trademarks often play a key role in a company's branding precisely because they link a product with a particular idea or lifestyle. In those cases, even if the company's *ends* are predominantly commercial, its chosen means of expression are not.

The Government's disapproval of "disparaging" trademarks thus goes well beyond regulating "advertising," *Cent. Hudson*, 447 U.S. at 563, which rests at the heart of the commercial-speech doctrine. In fact, Section 2(a)'s anti-disparagement provision is not about advertising at all. The Government seeks to discourage holders of allegedly "disparaging" trademarks from *calling themselves* by those names and from using those names in any setting connected with their operation, not merely from including those names on commercial advertising.

Nor can most trademarks be reasonably described as "expression related *solely* to the economic interests of the speaker and its audience." *Cent. Hudson*, 447

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[3] *Available at* https://www.google.com/about/company/history/.

U.S. at 561 (emphasis added). In his dissenting opinion, Judge Reyna contended that trademarks are commercial speech because they are "necessarily tools of commerce used with an 'economic motive,'" and that the benefits of trademark registration are purely commercial because registration allows its owner to gain "a competitive advantage in the marketplace" where "the interests of both the owner and competitor are fundamentally commercial in nature." Pet. App. 111a–12a & n.1.

This view vastly understates the expressive value of trademarks, for Mr. Tam specifically and for many of *amicus*'s members more broadly. Most trademark holders have more than a mere commercial interest in selecting the names by which they identify themselves. And registering those names for trademark protection provides many "substantial" benefits to the holder, not all of which are economic. *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1310 (2015). Among other things, registration is a prerequisite for a mark to become "incontestable," and "[i]ncontestability is a powerful protection." *Id.* (quoting 15 U.S.C. § 1065). Registration is also an indispensable tool to prevent others from adopting confusingly similar identifiers, which allows a speaker to express his unique views more clearly.

Trademark holders rely on these protections to ensure that their message is not undermined by imitators or detractors who might drown out or distort the holders' message. Trademark registration advances those expressive interests even if the trademark holder also relies on his trademark rights to facilitate increased sales of products in the marketplace. And, of course, the financial benefits that may accompany trademark registration increase the resources a holder has to promote his mark and message.

Moreover, speakers generally have the same type of "economic interest" in registering a copyright as in registering a trademark: In both cases, registration allows the owner to gain "a competitive advantage in the marketplace." Pet. App. 112a (Reyna, J., dissenting). If the bare fact of those motives sufficed to trigger the commercial-speech doctrine, then the Government could refuse to grant copyright protection to books and films it labels "disparaging." The Government's brief does not defend that extraordinary contention, *see* Br. of United States 47–48, and with good reason—it would come dangerously close to authorizing government-imposed burdens on offensive books. But just as copyright applicants seek both economic and non-economic benefits of registration for their expression, trademark applicants nearly always have more than a singular commercial motive for registering the labels they use to express themselves.

Affording full First Amendment protection to trademarks that the Government finds "disparaging" is the only approach consistent with the reasoning that underlies this Court's commercial-speech precedents. This Court has held that constitutional protection for commercial speech derives from "the informational function of advertising," *Cent. Hudson*, 447 U.S. at 563, and that "'commercial speech can be subject to greater governmental regulation than noncommercial speech'" because of "the government's legitimate interest in protecting consumers from 'commercial harms,'" *Sorrell*, 564 U.S. at 579 (quoting *City of Cincinnati v. Discovery Network, Inc.*, 507 U.S. 410, 426 (1993)).

Section 2(a)'s anti-disparagement provision, however, is not about improving the informational function of advertising or protecting consumers against

commercial harms. The statutory goal of the trademark-registration program is to avoid confusion in the marketplace, *see B & B Hardware*, 135 S. Ct. at 1299, but barring "disparaging" trademarks has nothing to do with that objective. In any event, trademarks that the Government deems "disparaging" express the views and values of the holder. They are not only contributions to the commercial marketplace but also contributions to the marketplace of ideas, and therefore warrant full constitutional protection. *See Bigelow v. Virginia*, 421 U.S. 809, 820–21 (1975) (holding that full First Amendment protection would apply to an advertisement that "'communicated information, expressed opinion, recited grievances, protested claimed abuses, and sought financial support on behalf of a movement whose existence and objectives are matters of the highest public interest and concern'") (quoting *N.Y. Times Co. v. Sullivan*, 376 U.S. 254, 266 (1964)).

In his dissent below, Judge Reyna relied on *Friedman v. Rogers*, 440 U.S. 1 (1979), and *San Francisco Arts & Athletics, Inc. v. United States Olympic Committee*, 483 U.S. 522 (1987), but neither case supports his view that Section 2(a)'s anti-disparagement provision should be examined under the commercial-speech doctrine. In *Friedman*, this Court stated that *some* trade-name users, like the plaintiff there, "do[ ] not wish to editorialize on any subject, cultural, philosophical, or political," and have "strictly business" purposes. 440 U.S. at 11 (internal quotation marks omitted). But that statement clearly does not apply to Mr. Tam or many other trademark holders with an expressive message. In any event, that aside was not part of the central reasoning of the decision, which upheld the regulation because of the State's "substantial and well demonstrated" interest in "protecting the

public from the deceptive and misleading use of optometrical trade names." *Id.* at 15. *Friedman* provides no support for the idea that the Government can regulate trade names because it disapproves of the message they convey.

Similarly, *San Francisco Arts* held that the restriction at issue applied to commercial speech "[*t*]*o the extent that*" it applied to speech made "for the purpose of trade or to induce the sale of any goods or services." 483 U.S. at 535 (emphasis added). But that likewise does not describe "The Slants," which is a trademark that seeks to do far more than promote record sales. More broadly, distinguishing between "strictly business" trademarks and those that convey an editorial, cultural, philosophical, or political purpose—as Judge Dyk proposed in his opinion, *see* Pet. App. 89a–90a—would only lead courts into hopeless line-drawing exercises that are virtually certain to produce arbitrary results. It is not clear how a court would ever be able to determine that a specific trademark carries no expressive purpose whatsoever other than proposing a commercial transaction. And in a situation where commercial speech is intertwined with fully protected, noncommercial speech, this Court has made clear that "the entirety must . . . be classified as noncommercial" speech in order to ensure full protection for noncommercial expression. *Sorrell*, 564 U.S. at 571 (quoting *Bd. of Trs. of State Univ. of N.Y. v. Fox*, 492 U.S. 469, 474 (1989)).

Furthermore, even if it were possible to distinguish "strictly business" trademarks from trademarks that convey a noncommercial message, Section 2(a)'s anti-disparagement provision invariably targets trademarks with expressive, noncommercial characteristics, rather than those that simply identify the sources of goods and services in commerce. As the

Federal Circuit explained, "*every time* the [Patent and Trademark Office ('PTO')] refuses to register a mark under § 2(a), it does so because it believes the mark conveys an expressive message." Pet. App. 25a. Because Section 2(a)'s anti-disparagement provision is directly targeted at trademark holders' *expression*, not their economic motives, it must be examined under the same demanding First Amendment standards as all other restrictions on noncommercial expression.

C. Even If Trademarks Are Commercial Speech, Section 2(a)'s Anti-Disparagement Provision Is Still Subject To Heightened Judicial Scrutiny.

Section (2)(a)'s anti-disparagement provision would not escape stringent constitutional scrutiny even if all trademarks were properly classified as commercial speech. This Court has traditionally determined the constitutionality of a restriction on commercial speech by applying the standard articulated in *Central Hudson*, which provides that, if the speech "concern[s] lawful activity" and is not "misleading," then the Government must have a "substantial" interest in the regulation, the regulation must "directly advance[ ] the government interest asserted," and the regulation must not be "more extensive than is necessary to serve that interest." 447 U.S. at 566. If trademarks are commercial speech, however, then Section 2(a)'s anti-disparagement provision must be examined with "heightened judicial scrutiny."

In *Sorrell*, this Court reaffirmed that "[t]he First Amendment requires heightened judicial scrutiny 'whenever the government creates a regulation of speech because of disagreement with the message it conveys,'" and "[c]ommercial speech is no exception." 564 U.S. at 566 (quoting *Ward*, 491 U.S. at 791). The

Court held that the Vermont regulation at issue, which restricted the sale, disclosure, and use of pharmacy records for marketing purposes, *id.* at 557, was content- and speaker-based because it had been enacted with the express purpose of "diminish[ing] the effectiveness of marketing by manufacturers of brand-name drugs," *id.* at 565. The Court emphasized that laws that "burden[ ] disfavored speech by disfavored speakers" are particularly offensive to the interests in free and open expression that animate the First Amendment, and therefore trigger additional judicial scrutiny. *Id.* at 564.

As explained above, Section 2(a) is a viewpoint-based restriction on speech. *See supra* Part I. If, for example, another band wanted to register the trademark "No Slurs" in order to convey their message that racial slurs should be banished from the lexicon rather than "reclaimed," that band's trademark would not have violated Section 2(a) and would have been registered by the PTO. Mr. Tam was denied registration based solely on the distinct viewpoint communicated by his mark. That is viewpoint-based regulation of speech, pure and simple.

III. SECTION 2(a)'S ANTI-DISPARAGEMENT PROVISION IS UNCONSTITUTIONAL UNDER ANY STANDARD OF SCRUTINY.

Whether examined under strict scrutiny, heightened scrutiny, or even *Central Hudson*, Section 2(a)'s anti-disparagement provision is unconstitutional because the Government lacks any legitimate interest in burdening speech that it deems to be "disparaging." The Government has no valid justification for deciding whether terms that some people may find "disparaging"—or even that almost everyone finds "disparaging"—belong in the commercial marketplace. The

anti-disparagement provision exists to do *precisely* what the First Amendment forbids: It "seek[s] to suppress a disfavored message." *Sorrell*, 564 U.S. at 572.

The Government attempts to insulate the anti-disparagement provision from First Amendment scrutiny by characterizing it as a condition on a government subsidy program, but it fundamentally misunderstands this Court's "subsidy" decisions. The Government also ignores the serious burden that the anti-disparagement provision imposes on the First Amendment rights of those trademark holders who, at the whim of a PTO examiner, are forced to choose between changing their business's name or forgoing essential trademark protections.

A. The Trademark Registration Program Is Not A Government Subsidy.

Much of the Government's brief is devoted to arguing that it is has no obligation to "subsidize" disparaging speech. But the federal trademark system is not a subsidy program.

This Court's subsidy cases have almost always involved either distributing funds to beneficiaries or granting them a tax exemption. *See, e.g.*, *Regan v. Taxation Without Representation of Wash.*, 461 U.S. 540, 545 (1983) (upholding denial of tax-exempt status to organizations engaged in lobbying); *Rust v. Sullivan*, 500 U.S. 173, 193–94 (1991) (upholding a regulation prohibiting the use of federal family-planning funds to provide abortion-related counseling); *Nat'l Endowment for the Arts v. Finley*, 524 U.S. 569, 572–73 (1998) (upholding a statute directing a panel awarding federal arts grants to consider "decency and respect for the diverse beliefs and values of the American public"); *United States v. Am. Library Ass'n*, 539

U.S. 194, 204–05 (2003) (upholding a condition requiring public libraries that receive federal subsidies for Internet access to use software that filters Internet pornography).

The Government's attempt to analogize the trademark registration program to these "subsidy" cases fundamentally misunderstands trademark law in the United States. Unlike the congressionally created rights that federal law affords to the beneficiaries of a subsidy program, "[t]rademark rights arise through use of the mark in commerce, not by operation of federal law." Br. of United States 10. The purpose of the federal registration system is merely to help maintain the channels of commerce through a system of orderly administration that provides notice of who is using which marks and for what purpose. *See B & B Hardware*, 135 S. Ct. at 1299 (trademarks "can help distinguish a particular artisan's goods from those of others"). That is not a "subsidy" for persons who hold trademark rights under the common law any more than making the courts available for contract disputes is a subsidy for commercial enterprises.

Moreover, even if the trademark registration program could be characterized as a government subsidy, Section 2(a)'s anti-disparagement provision would still be unconstitutional. The Court has explained that the Government does not have authority to attach "conditions that seek to leverage funding to regulate speech outside the contours of the program itself." *Agency for Int'l Dev. v. All. for Open Soc'y Int'l, Inc.*, 133 S. Ct. 2321, 2328 (2013). In *Agency for International Development*, this Court struck down a restriction on a grant program to combat the spread of HIV/AIDS where the restriction limited funds to organizations that had policies expressly opposing prostitution and sex-trafficking. *Id.* at 2230. The Court

held that, once the Government establishes a program, it may not restrict eligibility based on the viewpoint of would-be beneficiaries. *Id.* But that is precisely what Section 2(a)'s anti-disparagement provision does by permitting the Government to deny trademark holders federal registration based on their expression of points of view that the Government considers "disparaging."

B. Registration Is Critically Important To Trademark Holders.

The Government also makes an extended effort to minimize the importance of federal trademark registration, but none of its arguments diminishes the serious First Amendment deficiencies in Section 2(a)'s anti-disparagement provision.

According to the Government, there is nothing particularly significant about denying federal registration to a trademark because the holder is still entitled to use the mark in commerce and to sue to prevent others from using it. Br. of United States 20–21, 26–28. But the Government's argument significantly understates the importance to a business—especially a small business—of federal registration for a trademark. Registration is a great equalizer that enables even a small company to prevent a well-funded usurper from infringing its mark. In the absence of registration, trademark litigation would be prohibitively expensive for many small entities because it would turn on potentially complex factual questions about commercial acceptance of the mark in various product markets around the country. And as the Federal Circuit explained, "[i]n the absence of federal registration, if a trademark owner has any common law rights, they are limited to the territory in which the mark is known and recognized by those in the defined

group of potential customers." Pet. App. 36a (internal quotation marks and citation omitted).

In light of the burdens that accompany the denial of these federal protections to trademark holders whose marks are deemed "disparaging," the anti-disparagement provision must withstand the same First Amendment scrutiny as an outright prohibition on "disparaging" speech. It is well settled that "[l]awmakers may no more silence unwanted speech by burdening its utterance than by censoring its content." *Sorrell*, 564 U.S. at 566. "[T]he 'distinction between laws burdening and laws banning speech is but a matter of degree,'" and "the 'Government's content-based burdens must satisfy the same rigorous scrutiny as its content-based bans.'" *Id.* at 565–66 (quoting *Playboy*, 529 U.S. at 812). That is why this Court held in *Simon & Schuster, Inc. v. Members of the New York State Crime Victims Board*, 502 U.S. 105 (1991), that the Government may not single out a particular kind of speech for imposition of "a financial burden," even where the regulation does not rise to the level of an outright ban. *See id.* at 123 (applying strict scrutiny and striking down a statute that prohibited an accused or convicted criminal from earning income from works describing his crime).

The Government conceives of Section 2(a)'s anti-disparagement provision as the denial of a protective benefit to certain speech, rather than a restriction on speech. Br. of United States 20–25. But that is just another way of saying that Section 2(a) submits the equal protection of law to a heckler's veto: Because the PTO concluded that a substantial portion of the public was likely to regard Mr. Tam's speech as "disparaging," the Government has refused to provide his speech with the protections that federal trademark

registration affords trademark holders against ideological or commercial opponents. If Mr. Tam wanted to stage a march advocating his views regarding racial equality—even a provocative march that uses "reclaimed" racial slurs—the Constitution would not allow the Government, on the basis of his viewpoint, to deny him equal protection of the law against detractors who would like to shut down his speech. *See, e.g.*, *Edwards v. South Carolina*, 372 U.S. 229 (1963) (police could not constitutionally shut down an anti-segregation march for fear of a riot based on the marchers' viewpoint); *Cox v. Louisiana*, 379 U.S. 536 (1965) (police could not refuse to provide protection for a civil-rights protest). For the very same reason, the Government may not deny Mr. Tam the protection of the trademark laws based on the viewpoint expressed in the mark he submitted for federal registration.

The Government offers no legitimate—let alone compelling—interests to justify these serious burdens on First Amendment rights. In particular, the anti-disparagement provision is not supported by the Government's interest in disassociating itself from offensive speech. This case is unlike *Walker v. Texas Division, Sons of Confederate Veterans, Inc.*, 135 S. Ct. 2239, 2248–49 (2015), in every salient respect, including that there is no "history" of trademarks being regarded as "communicat[ing] messages" from the Government, and a trademark is not "'closely identified in the public mind with the [State].'" *Id.* at 2248. Quite the contrary, a mark "identifie[s]" the holder, and there is no need for the Government to disassociate itself from offensive trademarks because no reasonable person would believe that registered trademarks carry the imprimatur of the federal government. As

the Federal Circuit explained, "the PTO routinely registers marks that no one can say the government endorses." Pet. App. 43a (citing examples).

In this respect, there is again no material difference between the registration systems for trademarks and copyrights. If the nebulous possibility of negative association justified Section 2(a)'s anti-disparagement provision, then it would also justify the Government's refusal to provide copyright protection to "disparaging" works of literature, film, or other art. Copyright registrations, like trademark registrations, also come in the form of "certificates issued in the name of the United States," along with "recordation" in a federal database. Br. of United States 49. The Government would not take the radical position that it could refuse to register a copyright for offensive (or even hateful) expression. Its position in this case is equally odious to the First Amendment.

* * *

Recent events provide a reminder why the founding generation was wise to withhold from government bureaucrats the power to decide what constitutes "disparaging" speech. Many citizens, including those at America's elite universities, appear to regard the prevention of disparagement as a flexible tool for suppressing speech. For example, during the presidential election, some students complained about seeing "Trump 2016" written in chalk on the sidewalks of their campus, which led the president of the university to call the chalk messages "perceived intimidation" and to affirm that the offended students had heard "a message, not about political process or candidate choice, but instead about values regarding diversity and respect that clash with [the university's]

own." *Someone wrote 'Trump 2016' on Emory's campus in chalk. Some students said they no longer feel safe*, The Washington Post (Mar. 24, 2016).[4]

Other universities have seen students complain that the American flag is an offensive and anti-inclusive symbol that "has been flown in instances of colonialism and imperialism," and successfully resolve to have the flag removed from various locations on campus. *American flag banned by Calif. university students to create 'inclusive' atmosphere*, The Washington Times (Mar. 7, 2015).[5]

Today's political-science majors will be legislators tomorrow. This Court should reaffirm that they cannot deny protection to ideas they find "disparaging."

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[4] *Available at* https://www.washingtonpost.com/news/grade-point/wp/2016/03/24/someone-wrote-trump-2016-on-emorys-campus-in-chalk-some-students-said-they-no-longer-feel-safe/?utm_term=.1fea8d99e785

[5] *Available at* http://www.washingtontimes.com/news/2015/mar/7/university-california-irvine-students-vote-ban-ame/.

CONCLUSION

For the foregoing reasons, the judgment should be affirmed.

Respectfully submitted.

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